



**GENERAL REGULATIONS OF
LCH LIMITED**

"Floating Rate Conversion Annex"

means, in relation to a change in the floating rate and calculation of the floating amounts under any SwapClear Contract which are determined by reference to LIBOR or EONIA, any annex to the Procedures identified by the Clearing House in the related Floating Rate Conversion Notice as being the "Floating Rate Conversion Annex" applicable to such change

"ForexClear AET Requirement"

means, in respect of an FXCCM, that all of the ForexClear Contracts in the name of such FXCCM have been closed out or transferred to another Clearing Member

"ForexClear Approved Trade Source System"

means a system or facility, such as an exchange, a clearing house, a swap execution facility, a designated contract market, trade or affirmation system, a ForexClear Matcher or other similar venue or system, approved by the Clearing House for submitting ForexClear Transactions to the Clearing House (and excludes, for the avoidance of doubt, the ClearLink API)

"ForexClear Business"

means any transaction, obligation or liability arising out of any ForexClear Contract

"ForexClear Clearing Client"

means, in respect of ForexClear Client Clearing Business, an Individual Segregated Account Clearing Client, Indirect Gross Account Clearing Client or Omnibus Segregated Clearing Client

"ForexClear Clearing House Business"

means ForexClear Contracts entered into by a ForexClear Clearing Member with the Clearing House on a proprietary basis and for its own account

"ForexClear Clearing Member (FXCCM)"

means a Member who is designated by the Clearing House as a ForexClear Clearing Member eligible to clear ForexClear Contracts which includes, in the case of the Default Rules (including the ForexClear DMP Annex), the FCM Default Fund Agreement and any other document, rule or procedure as specified by the Clearing House from time to time, an FCM Clearing Member

"ForexClear Client Clearing Business"

means the provision of ForexClear Client Clearing Services by a ForexClear Clearing Member

"ForexClear Client Clearing Services"

means the entering into of ForexClear Contracts by a ForexClear Clearing Member in respect of its Individual Segregated Account Clearing Clients, Indirect Gross Account Clearing Clients and/or Omnibus Segregated Clearing Clients

"ForexClear Contract"

means a ForexClear Non-Deliverable Contract or a ForexClear Deliverable Contract

"seller"	means a Member (or the Clearing House where the context so requires) who is a seller under the terms of an exchange contract, a Cleared Exchange Contract, a RepoClear Transaction, a RepoClear Term £GC Transaction, a RepoClear Contract, a RepoClear Term £GC Contract, an EquityClear ATP Match, an EquityClear Novation Transaction, an EquityClear Contract, a Rates Exchange Match, or a Listed Interest Rates Novation Transaction, as the case may be
"Service"	means any one of the services made available by the Clearing House: (i) to an Exchange; (ii) under the SwapClear Regulations and under the FCM Regulations in respect of FCM SwapClear Contracts; (iii) under the RepoClear Regulations; (iv) under the EquityClear Regulations; (v) under the ForexClear Regulations and under the FCM Regulations in respect of FCM ForexClear Contracts; or (vi) under the Listed Interest Rates Regulations and under the FCM Regulations in respect of FCM Listed Interest Rates Contracts
"settlement contract"	means a contract between the Clearing House and a Member arising pursuant to Regulation 23(b) or Regulation 99110 (a)
"Settlement Cycle Failure"	has the meaning assigned to it in Regulation 101(h)
"Settlement Exposure Amount"	has the meaning assigned to it in Regulation 100
"Settlement Exposure Limit"	means, with respect to a ForexClear Option Clearing Member and a given ForexClear Currency, the "Settlement Exposure Limit" determined in accordance with the Procedures and made available from time to time by the Clearing House to that ForexClear Option Clearing Member, being the maximum permitted net deliverable or payable value in such currency on any given day arising from all ForexClear Contracts (other than ForexClear Non-Deliverable Contracts) that have a Settlement Date falling more than two business days after such day
"Settlement Exposure Limit Cap"	means, with respect to a given ForexClear Option Clearing Member and a given ForexClear Currency, USD5,000,000,000 (as amended from time to time in accordance with the Regulations)
"Settlement Position Amount"	has the meaning assigned to it in Regulation 100

- (a) In this Regulation:

"Calculation Period" means, in respect of a type of Business, a period of the number of days specified in the "Combined Loss Value" calculation in relation to the Fund Amount of that type of Business and ending on the business day preceding the date on which the Clearing House determines that a Solvency Threatening Treasury Default Loss has occurred (and the terms "Business", "Combined Loss Value" and "Fund Amount" have the meanings set out in the Default Fund Rules);

"Margin Weight" means:

- (i) the aggregate of a Clearing Member's total margin requirement (in respect of all of its Proprietary Accounts and all of its Client Accounts) for each type of Business undertaken by the Clearing Member averaged over the relevant Calculation Period preceding a determination of a Solvency Threatening Treasury Default Loss under Regulation 46A(b) below;

divided by

- (ii) the total average margin requirement of all Clearing Members (including FCM Clearing Members) during the same period; and

"Treasury Default" means, in connection with the Clearing House's treasury management activities, the default of: (A) an issuer of a debt instrument underlying a treasury management contract; (B) a counterparty to a treasury management contract; and/or (C) a deposit-taking institution, as determined by the Clearing House in its sole discretion.

- (b) In the event of a Treasury Default, the Clearing House may determine in its sole discretion that a loss has been caused by or arises out of a Treasury Default. If the Clearing House so determines, it must determine the quantum of that loss by ascertaining the gross amount of the loss and reducing it by EUR 15 million. The result is referred to as a **"Solvency Threatening Treasury Default Loss"**.
- (b) The Clearing House will, in respect of each Clearing Member, determine an amount of the Solvency Threatening Treasury Default Loss to be allocated to that Clearing Member based on that Clearing Member's Margin Weight (an **"Allocated Loss"**). The day on which the Clearing House determines that a Solvency Threatening Treasury Default Loss has taken place shall be the determination day for the purposes of establishing the Calculation Period.
- (c) The maximum Allocated Loss that each Clearing Member can be allocated is equal to: (i) the total Clearing House treasury investment portfolio immediately prior to the Solvency Threatening Treasury Default Loss, reduced by EUR 15 million; multiplied by (ii) that Clearing Member's Margin Weight. For the purpose of the calculation of Margin Weight, the margin requirements for any Clearing Member who has become a defaulter at any point prior to the date of allocation, shall be disregarded.

~~REGULATION~~REGULATION 57A SETTLEMENT OF SWAPCLEAR STM CONTRACTS AND CONVERSION TO SWAPCLEAR STM CONTRACTS

- (a) Each SwapClear Contract registered in the name of a SwapClear Clearing Member that is established under the laws of any state of the United States or under the federal laws of the United States shall be designated a SwapClear STM Contract.
- (b) Notwithstanding anything to the contrary in Regulation 20, neither the Clearing House nor a SwapClear Clearing Member shall be obliged to make any payment by way of variation margin in respect of a SwapClear STM Contract. This Regulation 57A shall be without prejudice to the Clearing House's other rights to require Collateral to be transferred to it under Regulation 20 (including, but not limited to, its right to require Collateral to be transferred to it in respect of a SwapClear Clearing Member's initial margin obligations in respect of a SwapClear STM Contract).
- (c) The Clearing House shall, at least once per Business Day, determine (i) the change in the net present value of each SwapClear STM Contract, and (ii) the Price Alignment Amount payable on such Business Day, in each case in such manner and at such times as may be provided in the Procedures. Immediately upon the Clearing House making each such determination of the net present value of a SwapClear STM Contract, an NPV Reset shall occur with respect to that SwapClear STM Contract.
- (d) Upon the occurrence of an NPV Reset in relation to a SwapClear STM Contract:
 - (i) if the Clearing House has determined that the net present value of the SwapClear STM Contract has increased since the immediately preceding NPV Reset, an amount of cash denominated in the currency of the SwapClear STM Contract (as specified in the Economic Terms relating to that SwapClear STM Contract) equal to the amount of such increase shall immediately become due and payable by the SwapClear Clearing Member to the Clearing House under the SwapClear STM Terms;
 - (ii) if the Clearing House has determined that the net present value of the SwapClear STM Contract has decreased since the immediately preceding NPV Reset, an amount of cash denominated in the currency of the SwapClear STM Contract (as specified in the Economic Terms relating to that SwapClear STM Contract) equal to the amount of such decrease shall immediately become due and payable by the Clearing House to the SwapClear Clearing Member under the SwapClear STM Terms;
 - (iii) if the Clearing House has determined that the net present value of the SwapClear STM Contract has not changed since the immediately preceding NPV Reset, neither the Clearing House nor the SwapClear Clearing Member shall be obliged to make any payment; and
 - (iv) the net present value of the SwapClear STM Contract shall for all purposes be equal to zero.
- (e) The SwapClear Clearing Member and the Clearing House hereby agree that:

REGULATION 60 TRANSFER; ~~BULK EVENTS~~BULK EVENTS

- (a) Other than in the event that a SwapClear Clearing Member is a Defaulter, any Permitted Transfer of one or more Transferring SwapClear Contracts from the Transfer Account of an Eligible Transferor to the Transfer Account of an Eligible Transferee (including, where relevant, the transfer of an Associated Collateral Balance), may only be done pursuant to this Regulation 60 and in accordance with the Procedures and (where applicable) any relevant Collateral Management Agreement. Notwithstanding the foregoing, a SwapClear Clearing Member may transfer SwapClear Contracts pursuant to and in accordance with Section 2.1.13 of the FCM Procedures.
- (b) Further to the satisfaction of the conditions set out in the Procedures and (where applicable) any relevant Collateral Management Agreement, and **provided that** the Clearing House does not determine, in its sole discretion, that (x) a Permitted Transfer cannot be effected under these Regulations, the Procedures or otherwise under Applicable Law and/or (y) where applicable, the additional conditions as set out in Regulation 46(q) of the FCM Regulations need to be and have not been complied with, the Clearing House shall transfer the Transferring SwapClear Contract(s) into the Transfer Account of the Receiving Clearing Member as follows:
- (i) in the case of a Permitted Transfer where the Receiving Clearing Member is the same entity as the Eligible Transferor, the Transferring SwapClear Contracts (and, if applicable, the Associated Collateral Balance) shall be transferred to the Proprietary Account of the Receiving Clearing Member;
 - (ii) in the case of a Permitted Transfer where the Carrying Clearing Member is not an FCM Clearing Member and the Receiving Clearing Member is an FCM Clearing Member, the Transferring SwapClear Contracts (and, if applicable, the Associated Collateral Balance) shall be transferred to the relevant Transfer Account of the relevant Receiving Clearing Member and all of the SwapClear Contracts to be transferred (which are subject to the Rulebook) shall, upon transfer, be converted to FCM SwapClear Contracts subject to the FCM Regulations and the FCM Procedures but shall otherwise remain on the same contract terms;
 - (iii) in the case of a Permitted Transfer where the Carrying Clearing Member is an FCM Clearing Member and the Receiving Clearing Member is not an FCM Clearing Member, the FCM SwapClear Contracts (and, if applicable, the Associated Collateral Balance) shall be transferred to the relevant Transfer Account of the relevant Receiving Clearing Member and all of the FCM SwapClear Contracts to be transferred (which are subject to the FCM Rulebook) shall, upon transfer, be converted to SwapClear Contracts subject to the Rulebook but shall otherwise remain on the same contract terms; or
 - (iv) in all other cases, the Transferring SwapClear Contracts (and, if applicable, the Associated Collateral Balance(s)) shall be transferred to the Transfer Account of the Receiving Clearing Member.

The Transfer of the Transferring SwapClear Contracts shall occur by novation of all of the Carrying Clearing Member's rights and obligations in respect of such

~~REGULATION 60B – CHANGES TO CERTAIN INTEREST RATES IN THE SWAPCLEAR SERVICE~~

REGULATION 60B – CHANGES TO CERTAIN INTEREST RATES IN THE SWAPCLEAR SERVICE

- (a) From time to time, the Clearing House may, subject to the terms of the Procedures, change the rate used for calculating PAI and the Price Alignment Amount in connection with SwapClear Contracts and/or the rate used to calculate the net present value of certain SwapClear Contracts. In connection with any such change the Clearing House shall deliver a Rate Change Notice. If specified as applicable in such Rate Change Notice, a Rate Change Annex (and each document incorporated therein or supplemental thereto) shall apply to set forth the terms on which such amendment to such rate shall take effect, the manner in which the economic impact of such amendment on the Clearing House, SwapClear Clearing Members and SwapClear Clearing Clients may be addressed, and any related rights and obligations of the Clearing House, the SwapClear Clearing Members and SwapClear Clearing Clients in relation thereto, including but not limited to: (i) the creation and registration of new SwapClear Contracts to reflect the change in discounting risk, (ii) the creation and registration of new SwapClear Contracts and/or payment obligations in connection with the change in the net present value of one or more SwapClear Contracts, and/or (iii) any other procedures or mechanisms the Clearing House determines is required to give effect to such interest rate change referred to above. The Clearing House may, from time to time, amend, modify, supplement, replace, withdraw, or override the terms of a Rate Change Notice in relation to a given change in the rate used for calculating PAI and the Price Alignment Amount in connection with SwapClear Contracts and/or the rate used to calculate the net present value of certain SwapClear Contracts through a member circular or such other method as the Clearing House shall determine is appropriate..
- (ba) Following the publication of a Rate Change Annex which specifies this Regulation 60(B)(b) to be applicable, each SwapClear Clearing Member (acting individually) hereby appoints the Clearing House, with the full and power and authority of that SwapClear Clearing Member, to:
- (i) act as its agent, to enter into, in the name of, and on behalf of, that SwapClear Clearing Member, one or more SwapClear Contracts on terms determined by that Rate Change Annex;
 - (ii) in reliance on the deemed instructions that SwapClear Clearing Member provides on behalf of it and its SwapClear Clearing Clients pursuant to the terms of the Rate Change Annex, to register, any SwapClear Contracts so entered into under this Regulation and the Rate Change Annex in the Proprietary Account and/or the applicable Client Account held in that SwapClear Clearing Member's name (as applicable); and
 - (iii) (A) execute in the SwapClear Clearing Member's name and on the SwapClear Clearing Member's behalf any document, contract, deed or other agreement, or (B) do, or cause to be done, any acts, in each case as the Clearing House

determines (acting reasonably) to be lawfully necessary to give effect to the SwapClear Contracts entered into pursuant to the foregoing,

provided however that, in all cases the terms of each SwapClear Contract entered into and registered pursuant to the foregoing provisions and the accounts in which such SwapClear Contracts shall be registered shall be determined pursuant to the methodology set out in the relevant Rate Change Annex pursuant to which such powers are exercised.

- (eb) Any SwapClear Contract entered into pursuant to paragraph (b) above shall be deemed to satisfy any registration requirements under these Regulations.
- (dc) Upon the publication of the Rate Change Annex there shall arise a standing instruction to the Clearing House for itself and on behalf of the SwapClear Clearing Members authorising the Clearing House to take the steps set-out in that Rate Change Annex, including, if applicable under the terms of that Rate Change Annex, to enter into and register certain SwapClear Contracts on behalf of certain SwapClear Members and/or SwapClear Clearing Clients pursuant to paragraph (b) above and the Rate Change Annex.
- (ed) A Rate Change Annex may give rise to one or more payment obligations being owed by the Clearing House to a SwapClear Clearing Member or by a SwapClear Clearing Member to the Clearing House (including, without limitation, under the terms of the SwapClear Contracts registered pursuant to (b) above) (each, a **Rate Change Payment**). The calculation of each Rate Change Payment and the due date for payment of the Rate Change Payment in each case shall be on the terms set out in the relevant Rate Change Annex.
- (fe) Each SwapClear Clearing Member and each SwapClear Clearing Client shall be bound by the terms of the Rate Change Annex, including, without limitation, each SwapClear Contract registered or recorded to its Proprietary Account, Individual Segregated Account and "position account" within each Omnibus Segregated Account, as applicable, pursuant to each Rate Change Annex. Each SwapClear Clearing Member agrees and acknowledges that the terms of each Rate Change Annex shall be (i) binding as between it and each of its SwapClear Clearing Clients, (ii) replicated by way of back-to-back rights and obligations between the SwapClear Clearing Member and the relevant SwapClear Client on whose behalf the account or "position account" referred to above is held, and (iii) "Mandatory CCP Provisions" for the purposes of the Clearing Agreements between it and each of its SwapClear Clearing Clients.

REGULATION 60C – LIBOR AND EONIA CONVERSION PROVISIONS

- (a) From time to time the Clearing House may, subject to the terms of the Procedures, amend the floating rate and calculation of the floating amounts under any SwapClear Contract which are determined by reference to the London Interbank Offered Rate or the Euro Overnight Index Average, regardless of any fallbacks that may otherwise apply in relation to the floating rate or calculation of the floating amount pursuant to the SwapClear Contract Terms of such SwapClear Contract. In furtherance of effecting such change, the Clearing House may change, modify and/or supplement the SwapClear Contract Terms of any such SwapClear Contracts registered with the Clearing House, as specified by the Clearing House. In connection with such change the Clearing House shall deliver, via one or more member circulars, a written notice (a **Floating Rate Conversion Notice**) to all SwapClear Clearing Members. If specified as applicable in such Floating Rate Conversion Notice, a Floating Rate Conversion Annex (and each document incorporated therein or supplemental thereto) shall apply to set forth the terms on which such amendment to such floating rate provisions shall take effect, including but not limited to: (i) when and how any such amendment, supplement, or modification shall take effect, (ii) the type of SwapClear Contracts to which it applies, (iii) the methodology for determining any amounts payable between the Clearing House and the SwapClear Clearing Members as a result of the matters specified therein, (iv) if applicable, the creation and registration of any new SwapClear Contracts and/or payment obligations in connection with the amendment, supplement and/or modification, and (v) any other rights and obligations of the Clearing House, the SwapClear Clearing Members and SwapClear Clearing Clients in relation to the foregoing. A Floating Rate Conversion Annex shall include any other procedures or mechanisms the Clearing House determines are required to give effect to the changes referred to above, including certain operational procedures which will include the recording of certain operational bookings in the SwapClear service to operationally represent the SwapClear Contracts as amended pursuant to the terms of the Floating Rate Conversion Annex. These operational bookings shall not have any legal effect and are for operational purposes only. Where the Clearing House determines appropriate, the Clearing House's internal governance and booking procedures will provide that such operational bookings and any reports generated by the Clearing House in connection therewith shall be interpreted accordingly.
- (a) The Clearing House may, from time to time, amend, modify, supplement, replace, withdraw, or override the terms of a Floating Rate Conversion Notice or Floating Rate Conversion Annex through a member circular or such other method as the Clearing House shall determine is appropriate.
- (b) Following the publication of a Floating Rate Conversion Annex, each SwapClear Clearing Member (acting individually) hereby appoints the Clearing House, with the full and power and authority of that SwapClear Clearing Member, to:
- (i) act as its agent, to enter into, in the name of, and on behalf of, that SwapClear Clearing Member, one or more SwapClear Contracts on terms determined by that Floating Rate Conversion Annex;
- (ii) in reliance on the deemed instructions that SwapClear Clearing Member provides on behalf of it and its SwapClear Clearing Clients pursuant to the

terms of the Floating Rate Conversion Annex, to register any SwapClear Contracts so entered into under this Regulation and the Floating Rate Conversion Annex in the Proprietary Account and/or the applicable Client Account held in that SwapClear Clearing Member's name (as applicable); and

(iii) (A) execute in the SwapClear Clearing Member's name and on the SwapClear Clearing Member's behalf any document, contract, deed or other agreement, or (B) do, or cause to be done, any acts, in each case as the Clearing House determines (acting reasonably) to be lawfully necessary to give effect to the SwapClear Contracts entered into pursuant to the foregoing,

provided however that, in all cases the terms of each SwapClear Contract amended and/or entered into and registered pursuant to the foregoing provisions and the accounts in which such SwapClear Contracts are or shall be registered shall be determined pursuant to the methodology set out in the relevant Floating Rate Conversion Annex pursuant to which such powers are exercised.

(c) Each SwapClear Clearing Member agrees and acknowledges that, notwithstanding anything to the contrary in these Regulations or any Procedure, the terms of any Floating Rate Conversion Annex and/or any Floating Rate Conversion Notice may amend, supplement, and/or modify the terms of any SwapClear Contract to which such Floating Rate Conversion Annex and/or any Floating Rate Conversion Notice relates, and following the publication of a Floating Rate Conversion Annex or delivery of a Floating Rate Conversion Notice (or any subsequent date specified for such purpose by the Clearing House), the rights and obligations of the Clearing House and each SwapClear Clearing Member under each such SwapClear Contract shall be performed in accordance with the SwapClear Contract Terms, as amended, supplemented and/or modified by the terms of that Floating Rate Conversion Annex and/or Floating Rate Conversion Notice.

(d) Any SwapClear Contract entered into pursuant to paragraph (c) above shall be deemed to satisfy any registration requirements under these Regulations.

(e) Upon the publication of a Floating Rate Conversion Annex there shall arise a standing instruction to the Clearing House for itself and on behalf of the SwapClear Clearing Members authorising the Clearing House to take the steps and make the changes, including without limitation the amendments to the SwapClear Contracts set-out in that Floating Rate Conversion Annex, and, if applicable under the terms of that Floating Rate Conversion Annex, to enter into and register certain SwapClear Contracts on behalf of certain SwapClear Members and/or SwapClear Clearing Clients pursuant to paragraph (b) above and such Floating Rate Conversion Annex.

(f) A Floating Rate Conversion Annex may give rise to one or more payment obligations being owed by the Clearing House to a SwapClear Clearing Member or by a SwapClear Clearing Member to the Clearing House (each, a **Conversion Payment**). The calculation of each Conversion Payment and the due date for payment of the Conversion Payment in each case shall be on the terms set out in the relevant Floating Rate Conversion Annex. Each SwapClear Clearing Member and each SwapClear Clearing Client shall be bound by the terms of the Floating Rate Conversion Annex, including, without limitation, each SwapClear Contract registered or recorded to its Proprietary Account, Individual Segregated Account and "position account" within

each Omnibus Segregated Account, as applicable, pursuant to each Floating Rate Conversion Annex. Each SwapClear Clearing Member agrees and acknowledges that (i) the terms of each Floating Rate Conversion Annex shall be binding as between it and each of its SwapClear Clearing Clients, (ii) the amendments made to each SwapClear Contract in a Client Account made pursuant to each Floating Rate Conversion Annex shall result in an identical amendment to the back-to-back rights and obligations between the SwapClear Clearing Member and the relevant SwapClear Clearing Client on whose behalf the account or "position account" referred to above is held, (iii) any new SwapClear Contract registered in a Client Account pursuant to a Floating Rate Conversion Annex shall be replicated by back-to-back rights and obligations between the SwapClear Clearing Member and the relevant SwapClear Clearing Client on whose behalf the account or "position account" referred to above is held, and (iv) the terms of each Floating Rate Conversion Annex shall be "Mandatory CCP Provisions" for the purposes of the Clearing Agreements between it and each of its SwapClear Clearing Clients.